

**GOVERNMENT OF INDIA
FOOD PROCESSING INDUSTRIES
LOK SABHA**

STARRED QUESTION NO:363
ANSWERED ON:16.12.2002
PROMOTION OF FPIS
M. JAGANNATH

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

- (a) the number of schemes that are in vogue to help the Food Processing Industries in the country;
- (b) the steps so far taken by the Government to upgrade the existing facilities; and
- (c) the details of the innovations brought by the Government to save the Food Processing Industries during the current year?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI N.T. SHANMUGAM)

(a) to (c): A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (c) of Lok Sabha Starred Question No: 363 due for answer on 16th December, 2002 regarding Promotion of FPIs.

(a) to (c): The Ministry of Food Processing Industries implements six schemes to help food processing industries in the country. These schemes, inter-alia, include Scheme for Infrastructure Development, Scheme for Upgradation of Technology, Modernisation and setting up of Units, Human Resource Development, Quality Assurance, Research & Development, Backward and Forward Linkages and Generic Promotion.

The entire food processing sector has been exempted from industrial licence except for alcoholic beverages and items reserved for small scale sector. The food processing sector has been included as a priority sector for bank lending. The foreign direct investment can be made in this sector upto 100% under automatic route except for manufacture of alcoholic beverages and items reserved for small scale sector. With effect from the Budget of 2001- 2002, excise duty on processed fruit and vegetable products has been brought down from 16% to zero.

In the Ten Plan Schemes, a number of components have been included for approval like value added centres, integrated cold chain, bar coding and assistance for market intelligence and market survey, etc. These innovative components of the schemes provide impetus for speedy growth of the sector. Further, the sector, as per the Report of the National Council of Applied Economic Research (NCAER) has registered a growth of 5.8% during the Ninth Plan, which is comparable to other sectors.